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the Mayor  
Burlington,  
Vermont



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State of the City

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Good evening and welcome. I would like to extend a special welcome to the new City Council members, Karen Paul from Ward 6 and Dave Berezniak from Ward 2. And, I would like to acknowledge the time and energy that every council member seated here tonight commits to the City of Burlington, a commitment they must make if they want to serve us well.

Burlington is fortunate to have a politically diverse City Council. Yet while political parties represent differing values and interests, their common goal must be efficient and effective government that meets the needs of people. Over the past two years this administration has consistently identified important issues and concerns. We have brought forward recommendations for the Council's consideration and action. Together we have made good progress. We must continue to work together over the next year and not lose sight of the fact that we are here to serve the people of Burlington and their interests.

It is difficult to have efficient and effective government without a strong economy and sound budget.

In October 2007, Moody's Investor Service reconfirmed Burlington's Aa3 credit rating. This rating continues to reflect confidence in the financial management of the city as well as in the general economic well-being of the greater Burlington metropolitan area and Chittenden County.

When I addressed you this time last year we had not concluded fiscal year '07. I am happy to report '07 closed out strong. Expenditures increased less than 4%. This substantially met the goals set out in the 2006 City Council Super Committee report. And, for the first time in the city's history, general fund revenues included \$1.8M from the city's new 1% local option sales tax.

Overall, FY07 ended with a dramatic increase in the fund balance from approximately \$2.1M to approximately \$6M. The undesignated funds in the Fund Balance increased from \$932,692 to approximately \$2.3M. The undesignated funds represent the city's emergency reserves. We are now close to our goal of a reserve that is equal to 5% of our operating revenues. The \$ 2.3 million in undesignated reserve funds is the highest this figure has reached in the City's history.

Even with a sound budget, maintaining a fully funded pension system continues to be a challenge. In FY07, the City Council approved a 4 cent tax increase to fully fund the city's annual contribution to the retirement system.

No additional tax increases were necessary to fund the retirement system in FY 08, in part, because city unions agreed to maintain or increase their contribution to the fund. Nevertheless, the city's retirement system is only funded at 78% based on the last valuation of June 30, 2006, and this valuation identified an unfunded liability of \$32 million.

A Special Mayor's Task Force on the Burlington Employees Retirement System made recommendations to the City Council on how to reduce the administrative and investment management costs of the retirement system. With Council approval, the City Retirement Board invested 90% of the fund reserve, about \$111M, through the State of Vermont Pension Investment Committee. This should result in a reduction in administrative costs, an increase in investment returns, and greater safety.

Other task force recommendations are pending a report by a Special Employee Pension Committee appointed by the City Council. The city retirement system still demands additional time and attention to move it toward full funding and sustainability.

An expanded Mayor's Budget Task Force of 25 members participated in developing the FY08 city budget. The FY08 budget was approved by the City Council at a level 3.1% above FY07. The Task Force also made recommendations calling for a long-term assessment of how city departments could reorganize to achieve greater efficiencies given limited opportunity for new revenue. That work is still underway. The budget task force model has been very successful and I will be appointing a budget task force this month to make recommendations about the FY 09 budget.

Our status and strength as a city is measured not only by the strength of our economy and our budget. Our strength can be measured by the level of citizen participation in government, perhaps the most important hallmark of a strong community and active democracy. And, over the last year we've moved forward on creating important opportunities for civic participation. An impressive number of Burlington residents have stepped forward and volunteered to participate in government decision-making.

We have numerous City commissions made up of volunteer residents who work tirelessly to advise departments and make Burlington a better city.



As I mentioned already, the Budget Task Force and the Retirement Task forces have made major contributions to addressing the city's financial challenges.

Over the past year, the City's Center for Community and Neighborhoods (C-CAN) did its regular good work supporting participation in the Neighborhood Planning Assemblies (NPA). Even more so, the NPA's responded over the last year, with high attendance and interest in a variety of issues: the Moran Plant redevelopment, the Zoning Rewrite, various neighborhood development projects, relations with the hospital and academic institutions, among many other topics.

And, in conjunction with the City Council, the City established a new task force committed to reviewing and reshaping our environmental efforts. The Environmental and Energy Coordinating Committee or "E2C2" is comprised of a diverse group of citizens committed to addressing global climate change on a local level, led by the City's Legacy Project. The E2C2 will make recommendations during this upcoming year which will help guide the City's environmental efforts for the future.

The Mayor's After school and Out of School Task Force was established to review and consider the most effective way of bringing the best after school and out-of-school services to our children. This committee has been valuable in working through the fiscal and programmatic issues of after school and out of school care.

Last fall, I also appointed a Moran Advisory Group (MAG) – made up of residents from every ward of the City, other community stakeholders and City staff, a 17 member committee in all – to advise the City on the future of the Moran Plant. The MAG played an essential role in developing a proposal that was eventually supported by nearly two-thirds of Burlington voters.

One of the most successful examples of citizen participation in government decision

making was the process we used to hire a new police chief. The hiring team included 30 people from throughout the community. Three ten member interview teams, with representatives from the Police Commission, the police department, residents from every ward, and community organizations interviewed the three candidates. The 2-day interview process resulted in a unanimous recommendation to the Mayor by the expanded hiring team of 12 members to name Mike Schirling the next Burlington Chief of Police.

The good news is not just that we created these opportunities, but also that interest in serving on these task forces and committees was high and people sustained this interest throughout their tenure. Thanks to the tremendous energy and commitment of citizens, we were able to accomplish a number of important things. Little of our work over the past year would have been possible without this level of citizen participation. Burlington residents should be recognized and applauded for their commitment to their City...a commitment that rivals any community in the country. I will continue to create and support opportunities for citizen participation in government. It makes Burlington a better city, this a better administration and me a better mayor.

It has been an incredibly busy year for this administration. There have been major accomplishments. We made numerous personnel changes and we've begun work on significant initiatives that we will continue to work on over the next year. There's not enough time tonight to go into all of them, but I want to highlight several of these achievements.

With the City Council, one of our most important accomplishments was the completion of the Zoning Re-Write. The new zoning ordinance supports expanded development in the city's commercial core by allowing for increased density when coupled with amenities that benefit the public good.

A decrease in the required lot size for residential development is also part of the plan. This provision reflects the city's positive experience with existing, successful higher density neighborhoods. This change should increase opportunity for new residential growth, including more much needed, affordable housing.

Some major zoning issues were deferred in the Re-Write and will be reviewed by the Administration, Planning Commission and City Council in the year ahead. This includes institutional overlays for Fletcher Allen Healthcare, Champlain College and the University of Vermont as well as proposals for Planned Unit Development in Burlington's residential areas. We hope that the city's new, more consistent zoning policies will be easier for residents and developers to understand and use.

This past year the City entered into a major new "fee for services" agreement with the University of Vermont. The five-year agreement phases in payments by UVM to the City to reach just over \$1.1 million dollars per year in years 3 to 5. This agreement is a significant recognition of the mutually-beneficial relationship between the City and UVM and is part of a more sustainable solution to maintaining good, essential services in Burlington.

Another major accomplishment this past year was the sale of 179 acres of land in the Burlington Intervale to the Intervale Center. The terms of the sale require this land to be used for agricultural purposes in perpetuity. Over the last decade the Intervale has been transformed from a dumping ground with limited use to a valuable, sustainable asset that provides food, recreation and employment.

It is now a tremendous resource not just for the residents of Burlington, but for everyone in the greater Metropolitan area. In fact, almost all of the state's food waste that is composted is composted here in the Intervale. Recently the state has made several regulatory decisions with regard to Act 250 permitting, floodplain requirements and



protection of archeological sites that will have a significant impact on the composting facility and may also affect agricultural development in the Intervale.

Although these regulatory issues are important, enforcement should be reasonable, appropriate and should be supported by scientific findings. This administration is committed to protecting and enhancing the Intervale. We should not move backwards.

We will work with the Intervale Center, state and federal government and any other interested agencies or organizations to make sure that the Intervale remains a valuable resource to residents of the city and the region.

On town meeting day, Burlington voters approved a \$39,600,000 bond for a series of important Burlington Electric Department projects. Projects funded by the bond will improve the reliability of our electric system, help stabilize electric rates for residents, enhance Burlington's Waterfront, reduce emissions that harm our environment, and increase the City's use of "green" power sources. The bond obligation will be paid from electric system revenue, and the projects will reduce BED costs and provide a substantial return on investment. It will not impact electric rates or the property tax rate. All around, approval for this bond sale is an important accomplishment with extremely positive outcomes for the City.

Another significant accomplishment is the advent of Air-Tran Airways service to Baltimore-Washington airport next month. Airport officials have been negotiating an agreement with Air-Tran for more than a year. With this additional service, Burlington airport will offer non-stop service to 14 hubs on 7 major airlines. BTV is expected to handle more than 1.5 million passengers in 2008, after a record 1.4 million in 2007.

For me, what makes these accomplishments even more significant is the fact that they occurred during a year when we saw almost half of the city departments change

leadership. The ease of these transitions is a credit to the new department heads, but also to all the people within those departments who continue to do the city's business everyday. I know that Burlington residents can rely on all city employees to meet the challenges and serve the needs of this city as we move forward.

These newly appointed department heads are: Ken Schatz, City Attorney; Kathleen Butler, Code Enforcement Director; David White, Planning Director; Chris Burns Acting General Manager of Burlington Telecom; Robert Coleburn, Co-Director of the Fletcher Free Library; Larry Kupferman, CEDO Director; Mike Schirling, Police Chief; and most recently Kristen Lonerwright, Human Resources Director.

I will be relying on these individuals and everyone else in my administration as we move forward and continue working on projects that we identified this past year.

Anyone who has driven down Willard Street or North Avenue in the last month knows that street repairs must be at the top of this list. Although this winter has been really tough on city streets, it is clear that this is not a new problem. Unless we invest more in our streets, they will soon be classified as "poor" according to the Pavement Condition Index.

Last year the city recognized the need for a comprehensive capital improvement plan that would save money down the road, by investing in street repairs now. As we did in 2007, we dedicated an additional \$200,000 for street maintenance in the 2008 budget. That is just a very small step toward a more comprehensive street maintenance plan. It is likely that this comprehensive plan will require additional resources. Over the next few months we will be working with the city engineering group, the public works department and commission and residents to figure out the best way to address both the short and long term maintenance of our streets.



The city is fortunate that it has received federal dollars to improve the infrastructure of the marketplace. This 20 block area houses more than 200 stores, 80 eating and drinking establishments, City Arts and the Firehouse Arts Center, and the Flynn Center for the Performing Arts. Over 20,000 employees work in this area. The Marketplace is a commercial and community center for the city and region.

This summer work will begin on Marketplace infrastructure improvements, including improvements to lighting and up-grades to the alleyway to the Marketplace Garage. Additional work on College Street from downtown to the waterfront will occur over the next 12 months. Side streets off Church Street along with waterfront access from the north will see improvements in 2009.

Now more than ever, Burlington's downtown Marketplace is linked to Lake Champlain and the waterfront. The transformation of the waterfront from heavy industrial and commercial use, with oil tanks, rail yards, and scrap metal has given way to a very public access to the lake that we've all come to expect and enjoy. Landmarks like the Boathouse, ECHO, the bike path, and the Coast Guard Station connected by parkland and open space have redefined our vision of the waterfront.

This next year, the city will be working on several initiatives that will have an impact on the quality of the lake itself and quality of life along the lake shore.

Protecting Lake Champlain as the city's source of drinking water is a critical responsibility of city government. For over a year the Mayor's Storm Water Task Force has been meeting to discuss the implementation of the city's Storm Water Management Plan. More importantly, the task force is moving toward recommending that the city adopt a storm water ordinance that would create additional requirements to protect the lake, and our drinking water, from harmful run off.

The lake has been a resource for people in this region for centuries. 2009 marks the 400<sup>th</sup> anniversary of Samuel de Champlain's arrival in this area. Over the next year the city, the state and representatives from Canada and France will be planning an event not just to mark this anniversary, but to celebrate the history and value of the lake long before and long after Champlain's arrival. And, this event will pay tribute to all the people who have used, enjoyed and honored this resource throughout history.

Perhaps the most important lake related project we will work on over the next year is the renovation of the Moran Plant. Thanks to the voters' strong support the city will move forward with its plan to transform this old power plant into a public and privately financed facility that will provide new opportunities for recreation, education and entertainment on our waterfront. The city, in partnership with the Ice Factor, Champlain Sailing Center, and Green Mountain Children's Museum will begin a process to plan and implement the Moran Center at Waterfront Park. We have begun work on development agreements with the key stakeholders. As promised we will keep the public informed as we move forward. This is an exciting opportunity. Many people worked hard to move this idea forward and we look forward to the day when we can climb, sail, skate, visit, play, relax and dine at the Moran Center at Waterfront Park.

We cannot look to the future without considering the impact greenhouse gas emissions will have on our environment, climate, economy and quality of life. Burlington should and can lead efforts to fight global climate change on a local level. Over the next year, the city will revise and update its year 2000 Climate Action Plan. The 2008 plan will recommend new goals and targets including ways that households, businesses, institutions, industry and the city can save energy and reduce Burlington's carbon footprint. The Planning and Zoning Department and the Burlington Legacy Project at CEDO will support the redrafting effort and they will coordinate public input. You will be hearing more about this initiative over the next few months.

In yet another effort to promote environmental sustainability, the Legacy Project is formulating The Burlington Household - Level Carbon Reduction Campaign. This campaign enlists Eco-teams of 6-8 households to work together to reduce their carbon demand. Several weeks ago a group of about 30 Burlington residents came together to learn more about the campaign. The purpose of the meeting was to identify individuals who would be willing to lead an Eco-team. These teams would then serve as models for other teams around the city. Approximately 20 people agreed to be team leaders.

Just yesterday Jackie and I hosted our first neighborhood Eco- team meeting. Over the next week, each household in our team will assess its carbon footprint and then identify an action plan to reduce that footprint. It is apparent that some habits die hard. But, at 9 Germain Street, we will start hanging up our laundry even if it means using scratchy towels. Change is possible. Together I am certain that we can make a difference. The Household-Level Carbon Reduction Campaign will be launched city-wide later this month on Earth Day.

It is exciting to think about what we can accomplish over the next year. However it is also sobering when we view these accomplishments against the backdrop of an ill advised and ill conceived war that has destabilized the entire middle east, caused unnecessary death and destruction and depleted our country's financial resources. At the same time that we praise Burlington for its commitment to citizen participation, let's acknowledge that there are people in other countries all over the world who have no voice and who like the people of Tibet, have no country.

However, these stark contrasts only make me want to work harder to make Burlington a truly open, engaged livable city where we all are respected, acknowledged and heard.



Just one week ago, this auditorium was filled to capacity with people who came to hear the Finnish Ambassador to the United States. He was the guest of Senator Bernie Sanders and the Vermont Council On World Affairs. The ambassador explained that his country provides universal healthcare, government financed childcare and education through a university degree and employment benefits that include 30 days paid vacation each year. He also reported that Finland plans to meet future energy needs with nuclear power, lives with gasoline prices of \$10 per gallon, and conscripts all men into military or public service. It was apparent that the people in this packed room were here in part because they wanted to learn more about Finland's successes, but also because they simply welcomed an open exchange of ideas.

As residents of this unique city, it is our job to seek out and explore good ideas and to adapt and use these good ideas to build a better community and a better world.

So finally, I am happy to report that the state of the city is good, and I will do whatever I can to make it better and I know that you will join me in this effort.

As always, it is a privilege to serve as your mayor. Thank you.